

S HOTELS AND RESORTS

THAILAND / TOURISM & LEISURE

SHR TB

BUY
 UNCHANGED

1Q24 results at first glance

TARGET PRICE	THB4.00
CLOSE	THB2.38
UP/DOWNSIDE	+68.1%
TP vs CONSENSUS	+14.0%

SHR booked a core profit of THB129m (+99% q-q) in 1Q24, beat our estimate

Highlights

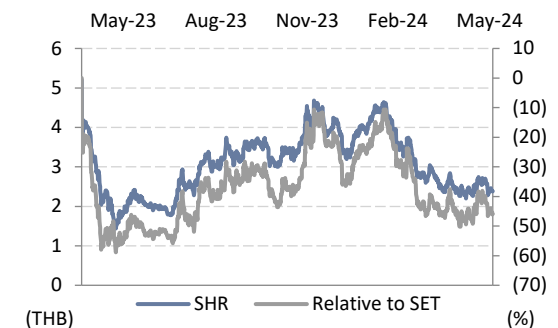
- SHR reported a 1Q24 core profit of THB129m, improving from THB65m in 4Q23 and beating our estimate by 18%, mainly due to higher-than-expected other income.
- Including a THB17m unrealized loss on FX, net profit was THB112m.
- Maldives hotel (excluding SO/ Maldives) RevPAR grew by 18% y-y in 1Q24, driven by a strong ADR (+16% y-y). The RevPAR of Thai hotels grew by 15% y-y thanks to a 14% y-y higher ADR. Outrigger RevPAR grew by 23% y-y thanks to robust growth at its Fiji hotels. On a negative note, the RevPAR of UK hotels fell by 1% y-y due to the expiration of the long-term exclusive-use contract with the government for the Mercure London Watford hotel.
- Revenue grew 8% y-y and the EBITDA margin improved to 27% in the quarter (vs 26% in 1Q23) thanks to the strong performance of Thai and Maldives hotels.
- SO/ Maldives recorded a share of loss of THB63m in 1Q24 (vs a THB66m loss in 4Q23) due to the initial phase of operation with an OCC rate of 44%.
- Excluding the share of loss from SO/ Maldives, core profit would grow by 30% y-y and hit a record high at cTHB190m.
- 1Q24 core profit accounted for 42% of our 2024E core profit of THB307m.

Outlook and valuation

- We expect operations to improve y-y in 2Q24, and SHR should book a smaller core loss.
- SHR trades at cheap and undemanding valuations of 0.5x 2024E P/BV and 8.8x 2024E EV/EBITDA (vs peers' averages of 1.9x and 20x).

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	9,701	10,714	11,193	11,483
Net profit	87	307	525	603
EPS (THB)	0.02	0.09	0.15	0.17
vs Consensus (%)	-	32.4	17.2	6.3
EBITDA	2,226	2,665	2,822	2,890
Recurring net profit	80	307	525	603
Core EPS (THB)	0.02	0.09	0.15	0.17
EPS growth (%)	nm	285.2	70.9	14.8
Core P/E (x)	107.2	27.8	16.3	14.2
Dividend yield (%)	-	1.4	2.5	2.8
EV/EBITDA (x)	10.9	8.8	7.9	7.4
Price/book (x)	0.5	0.5	0.5	0.5
Net debt/Equity (%)	98.2	90.6	82.6	75.0
ROE (%)	0.5	1.9	3.2	3.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.8)	1.7	(34.3)
Relative to country (%)	(9.7)	2.8	(25.2)
Mkt cap (USD m)	231		
3m avg. daily turnover (USD m)	0.6		
Free float (%)	34		
Major shareholder	S Hotels and Resorts Inter (49%)		
12m high/low (THB)	3.76/2.18		
Issued shares (m)	3,593.64		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: SHR - 1Q24 results summary

	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	2,544	2,277	2,401	2,479	2,743	11	8	9,701	10,714	10
- Self-Managed Hotels	642	363	320	423	739	75	15			
- Outrigger Hotels	302	334	402	419	353	(16)	17			
- Project Crossroads Hotels	815	518	519	693	911	31	12			
- UK	785	1,062	1,161	943	739	(22)	(6)			
COGS (Incl. depreciation)	(1,605)	(1,599)	(1,548)	(1,462)	(1,633)	12	2	(6,213)	(6,694)	8
Gross profit	939	678	853	1,017	1,109	9	18	3,488	4,019	15
SG&A	(576)	(571)	(597)	(675)	(687)	2	19	(2,419)	(2,589)	7
Operating profit	363	107	256	343	422	23	16	1,068	1,430	34
Other income	35	42	91	36	59	63	67	205	185	(10)
- Fx gains (losses)	3	1	(3)	(1)	(0)					
- Other income	32	41	95	37	59	58	81	205	185	(10)
Interest expense	(248)	(273)	(304)	(299)	(298)	(0)	20	(1,124)	(1,150)	2
Pretax profit	150	(124)	44	79	183	130	22	150	465	210
Income Tax	(1)	10	(42)	51	9	(83)	(743)	18	(47)	(360)
Associates	(4)	(6)	(12)	(66)	(63)	(4)		(88)	(111)	26
Minority interest	0	0	0	0	0			0	0	
Core profit	144	(119)	(10)	65	129	99	(11)	80	307	285
Extraordinaries, GW & FX	(20)	2	25	(1)	(17)		(13)	7	0	
Net unrealized (loss)/gain on FX	(20)	2	25	(11)	(17)	50	(16)	(4)	0	
Non-recurring items	0	0.4	0.3	10	(0)	(103)	(250)	11		
Reported net profit	125	(117)	15	64	112	75	(11)	87	307	239
Shares out (end Q, m)	3,664	3,664	3,664	3,664	3,664	0	0	3,664	3,664	0
Core EPS	0.04	(0.03)	(0.00)	0.02	0.04	99	(11)	0.02	0.08	285
EPS	0.03	(0.03)	0.00	0.02	0.03	75	(11)	0.02	0.08	239
COGS (Excl. depreciation)	(1,327)	(1,302)	(1,248)	(1,179)	(1,298)	10	(2)	(5,056)	(5,460)	8
Depreciation	(277)	(297)	(301)	(283)	(335)	19	21	(1,158)	(1,234)	7
EBITDA	671	440	636	596	753	26	12	2,343	2,739	17
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	37	30	36	41	40	1	4	36	38	2
SG&A/Revenue	23	25	25	27	25	2	2	25	24	(1)
EBITDA margin	26	19	26	24	27	(3)	1	24	26	1
Net profit margin	5	(5)	1	3	4	(1)	(1)	1	3	2
Operating stats										
Self-Managed Hotels										
OCC (%)	87.5	64.1	59.2	56.6	88.5					
ADR (THB)	9,840	6,528	6,344	9,012	11,200					
RevPAR (THB)	8,611	4,184	3,724	5,104	9,914					
Outrigger Hotels										
OCC (%)	55.4	45.5	43.3	61.6	54.2					
ADR (THB)	6,831	9,582	13,024	10,176	8,590					
RevPAR (THB)	3,783	4,362	5,643	6,273	4,657					
Project Crossroads Hotels										
OCC (%)	87.5	53.7	63.2	68.0	89.0					
ADR (THB)	13,994	13,521	10,584	14,947	16,180					
RevPAR (THB)	12,241	7,258	6,690	10,167	14,400					
UK Hotels										
OCC (%)	65.6	74.1	76.1	62.2	59.1					
ADR (THB)	3,133	3,866	4,237	3,716	3,439					
RevPAR (THB)	2,055	2,866	3,226	2,312	2,032					

Sources: SHR; FSSIA estimates

Financial Statements

S Hotels and Resorts

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	8,693	9,701	10,714	11,193	11,483
Cost of goods sold	(5,807)	(6,213)	(6,694)	(6,937)	(7,104)
Gross profit	2,885	3,488	4,019	4,256	4,379
Other operating income	-	-	-	-	-
Operating costs	(2,142)	(2,419)	(2,589)	(2,692)	(2,773)
Operating EBITDA	1,859	2,226	2,665	2,822	2,890
Depreciation	(1,116)	(1,158)	(1,234)	(1,259)	(1,284)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	743	1,068	1,430	1,564	1,606
Net financing costs	(842)	(1,124)	(1,150)	(1,137)	(1,105)
Associates	(21)	(88)	(111)	12	48
Recurring non-operating income	73	117	74	200	241
Non-recurring items	53	7	0	0	0
Profit before tax	27	69	354	627	742
Tax	(13)	18	(47)	(102)	(139)
Profit after tax	14	87	307	525	603
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	14	87	307	525	603
Non-recurring items & goodwill (net)	(53)	(7)	0	0	0
Recurring net profit	(39)	80	307	525	603
Per share (THB)					
Recurring EPS *	(0.01)	0.02	0.09	0.15	0.17
Reported EPS	0.00	0.02	0.09	0.15	0.17
DPS	0.00	0.00	0.03	0.06	0.07
Diluted shares (used to calculate per share data)	3,594	3,594	3,594	3,594	3,594
Growth					
Revenue (%)	92.6	11.6	10.4	4.5	2.6
Operating EBITDA (%)	411.7	19.7	19.7	5.9	2.4
Operating EBIT (%)	nm	43.8	33.9	9.3	2.7
Recurring EPS (%)	nm	nm	285.2	70.9	14.8
Reported EPS (%)	nm	500.8	255.8	70.9	14.8
Operating performance					
Gross margin inc. depreciation (%)	33.2	36.0	37.5	38.0	38.1
Gross margin exc. depreciation (%)	46.0	47.9	49.0	49.3	49.3
Operating EBITDA margin (%)	21.4	22.9	24.9	25.2	25.2
Operating EBIT margin (%)	8.5	11.0	13.4	14.0	14.0
Net margin (%)	(0.4)	0.8	2.9	4.7	5.3
Effective tax rate (%)	-289.8	-12.1	10.1	16.5	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	1.0	1.1	1.3	1.6	1.7
Inventory days	16.6	16.6	16.1	16.4	16.5
Debtor days	18.7	19.5	18.8	19.3	20.0
Creditor days	130.1	121.9	115.9	118.0	118.9
Operating ROIC (%)	9.7	4.0	4.3	4.4	4.4
ROIC (%)	9.7	4.1	4.1	4.5	4.6
ROE (%)	(0.2)	0.5	1.9	3.2	3.5
ROA (%)	8.8	3.6	3.6	3.9	3.9
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Self-managed	1,098	1,749	1,754	1,891	1,937
Outrigger	1,486	1,457	1,823	1,879	1,925
Crossroads Ph1 (Maldives hotels)	2,445	2,545	3,000	3,131	3,228
UK	3,664	3,951	4,137	4,292	4,393

Sources: S Hotels and Resorts; FSSIA estimates

Financial Statements

S Hotels and Resorts

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(39)	80	307	525	603
Depreciation	1,116	1,158	1,234	1,259	1,284
Associates & minorities	-	-	-	-	-
Other non-cash items	109	409	(8)	(8)	(8)
Change in working capital	1,052	370	32	2	(12)
Cash flow from operations	2,238	2,017	1,566	1,778	1,867
Capex - maintenance	(116)	(3,077)	(635)	(664)	(681)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(277)	(60)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(393)	(3,137)	(635)	(664)	(681)
Dividends paid	0	0	0	(123)	(210)
Equity finance	0	(461)	0	0	0
Debt finance	(1,418)	1,337	(400)	0	(1,000)
Other financing cash flows	139	(19)	0	0	0
Cash flow from financing	(1,280)	857	(400)	(123)	(1,210)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	566	(263)	531	991	(24)
Free cash flow to firm (FCFF)	2,686.85	3.35	2,080.92	2,251.37	2,290.36
Free cash flow to equity (FCFE)	565.63	198.21	530.90	1,114.35	185.84

Per share (THB)	2022	2023	2024E	2025E	2026E
FCFF per share	0.75	0.00	0.58	0.63	0.64
FCFE per share	0.16	0.06	0.15	0.31	0.05
Recurring cash flow per share	0.33	0.46	0.43	0.49	0.52

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	36,291	41,369	42,012	42,684	43,373
Less: Accumulated depreciation	(7,323)	(10,474)	(11,708)	(12,967)	(14,251)
Tangible fixed assets (net)	28,968	30,895	30,304	29,717	29,122
Intangible fixed assets (net)	1,630	1,628	1,628	1,628	1,628
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	704	764	764	764	764
Cash & equivalents	2,479	2,216	2,747	3,739	3,714
A/C receivable	501	535	571	610	649
Inventories	229	231	249	259	266
Other current assets	1,324	790	872	912	935
Current assets	4,533	3,772	4,440	5,519	5,564
Other assets	615	664	664	664	664
Total assets	36,450	37,723	37,800	38,291	37,741
Common equity	16,019	16,091	16,398	16,801	17,194
Minorities etc.	0	0	0	0	0
Total shareholders' equity	16,019	16,091	16,398	16,801	17,194
Long term debt	16,674	18,012	17,612	17,612	16,612
Other long-term liabilities	1,612	1,604	1,604	1,604	1,604
Long-term liabilities	18,286	19,616	19,216	19,216	18,216
A/C payable	1,711	1,667	1,800	1,872	1,919
Short term debt	0	0	0	0	0
Other current liabilities	433	349	386	403	413
Current liabilities	2,144	2,016	2,186	2,275	2,332
Total liabilities and shareholders' equity	36,450	37,723	37,800	38,291	37,741
Net working capital	(90)	(461)	(493)	(495)	(482)
Invested capital	31,826	33,490	32,867	32,278	31,695

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2022	2023	2024E	2025E	2026E
Book value per share	4.46	4.48	4.56	4.68	4.78
Tangible book value per share	4.00	4.02	4.11	4.22	4.33
Financial strength					
Net debt/equity (%)	88.6	98.2	90.6	82.6	75.0
Net debt/total assets (%)	38.9	41.9	39.3	36.2	34.2
Current ratio (x)	2.1	1.9	2.0	2.4	2.4
CF interest cover (x)	1.7	1.2	1.5	2.0	1.2

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(219.8)	107.2	27.8	16.3	14.2
Recurring P/E @ target price (x) *	(369.4)	180.1	46.8	27.4	23.8
Reported P/E (x)	594.7	99.0	27.8	16.3	14.2
Dividend yield (%)	-	-	1.4	2.5	2.8
Price/book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	12.2	10.9	8.8	7.9	7.4
EV/EBITDA @ target price (x) **	15.4	13.6	11.0	10.0	9.4
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: S Hotels and Resorts; FSSIA estimates

S HOTELS AND RESORTS PCL (SHR TB)

FSSIA ESG rating

25.0 /100
Exhibit 2: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 3: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BEYOND	24.98	--	--	--	5.00	5.00	Certified	--	39.83	--	--	--	--	--	--
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--
MINT	84.43	Y	Y	Y	5.00	4.00	Certified	Medium	57.57	AA	37.00	91.18	69.00	5.00	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); * FSSIA estimate; FSSIA's compilation
Exhibit 4: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 5 / 1
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	8 / 97.22
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	7
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	53 / 69
Waste reduction policy	Yes	Number of executives / female	6 / 3
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee / ID	3 / 3
Quality assurance and recall policy	Yes	Number of compensation committee meetings	4
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 3
Gender pay gap breakout	--	Number of nomination committee meetings	4
Pct women in workforce	33.8	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	10.33
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	53.96
Health and safety policy	Yes	Auditor fee (THB m)	2.2
Lost time incident rate - employees	--	(PricewaterhouseCoopers ABAS Limited)	
Training policy	Yes	Total employee (no.)	2663
Fair remuneration policy	Yes	Employee compensation (THB m)	1379.4
Number of employees - CSR	Yes	Sustainability governance	
Total hours spent by firm - employee training	1700	Verification type	--
Social supply chain management	Yes	Board duration (years)	3

Source: FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

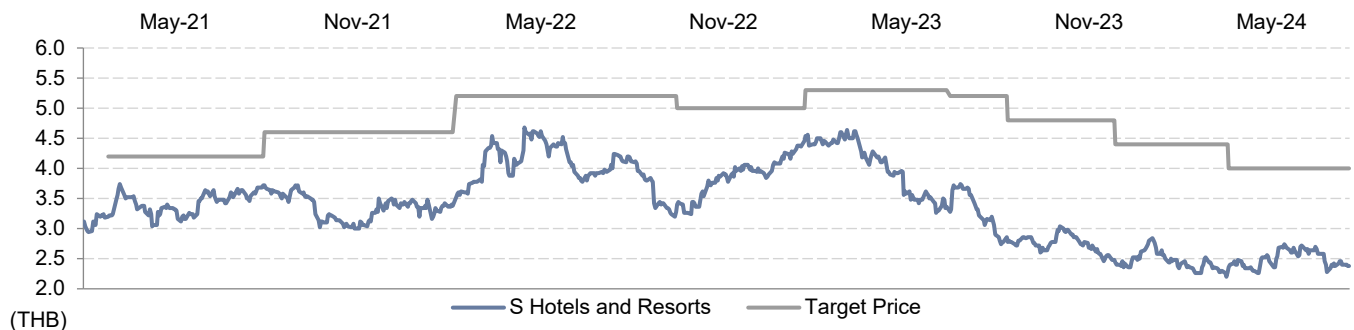
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

S Hotels and Resorts (SHR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
28-May-2021	BUY	4.20	04-Oct-2022	BUY	5.00	17-Jul-2023	BUY	4.80
12-Oct-2021	BUY	4.60	23-Jan-2023	BUY	5.30	18-Oct-2023	BUY	4.40
25-Mar-2022	BUY	5.20	26-May-2023	BUY	5.20	24-Jan-2024	BUY	4.00

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
S Hotels and Resorts	SHR TB	THB 2.38	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 08-May-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.